

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

June 30, 2004

	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern Oil, Resin & Fiberglass, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 17,363	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net						
Receivables from/(payables to) filing and non-filing entities, net	(10,483)	(26,614,022)	57,347,191	(7,283,826)	-	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	6,437	-	-	-	-	-
Total Current Assets	13,317	(26,614,022)	57,347,191	(7,283,826)	-	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	1,630,940	-	-	-	-	-
Total Assets	\$ 1,644,257	\$ (26,614,022)	\$ 57,347,191	\$ (7,283,826)	\$ -	\$ -
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	551,649	5,000	-	-	-	-
Total Current Liabilities	551,649	5,000	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	551,649	5,000	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(4,254)	(195)	10,346,794	(230)	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(4,254)	(195)	10,346,794	(230)	-	-
Total Liabilities	547,395	4,805	10,346,794	(230)	-	-
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	-	-	-	-
Paid in capital	1,104,954	859,233	3,671,658	5,150	-	-
(Accumulated deficit)/Retained earnings	(8,092)	(27,478,060)	43,427,950	5,144,850	-	-
Treasury stock, at cost	-	-	-	(12,433,596)	-	-
Accumulated other comprehensive loss	-	-	(98,212)	-	-	-
Total Shareholders' Equity (Deficit)	1,096,862	(26,618,827)	47,000,396	(7,283,596)	-	-
Total Liabilities and Shareholders' Equity (Deficit)	\$ 1,644,257	\$ (26,614,022)	\$ 57,347,191	\$ (7,283,826)	\$ -	\$ -

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

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	Guanica-Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net						
Receivables from/(payables to) filing and non-filing entities, net	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,714)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	5,824,284	(101,989)	(1,119,103)	10,284,124	330	(2,417,714)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	94,022	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 5,824,284	\$ (7,966)	\$ (1,119,103)	\$ 10,284,124	\$ 330	\$ (2,417,714)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	3	-	-
Total Current Liabilities	-	-	-	3	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	3	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(110)	-	(110)	(560)	(560)	(450)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(110)	-	(110)	(560)	(560)	(450)
Total Liabilities	(110)	-	(110)	(557)	(560)	(450)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	2,000	29,000	1,000	1,000	26,000
Paid in capital	5,823,446	-	-	3,136,087	-	9,988,414
(Accumulated deficit)/Retained earnings	(52)	(9,966)	(1,147,993)	7,147,595	(110)	(12,431,678)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	5,824,394	(7,966)	(1,118,993)	10,284,682	890	(2,417,264)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 5,824,284	\$ (7,966)	\$ (1,119,103)	\$ 10,284,124	\$ 330	\$ (2,417,714)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

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	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Receivables from/(payables to) filing and non-filing entities, net						
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Properties and equipment, net	-	-	-	-	-	1,184,871
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ (26,312,455)	\$ (5,132,933)	\$ (3,350,634)	\$ (2,509,849)	\$ 840	\$ (45,742)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	(818)	(110)	(210)	(110)	(30)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	-	(818)	(110)	(210)	(110)	(30)
Total Liabilities	-	(818)	(110)	(210)	(110)	(30)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	-	1,000	1,000	1,000
Paid in capital	-	-	-	-	-	50
(Accumulated deficit)/Retained earnings	(26,312,455)	(5,132,115)	(3,351,524)	(2,510,639)	(50)	(45,812)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	(26,312,455)	(5,132,115)	(3,350,524)	(2,509,639)	950	(45,712)
Total Liabilities and Shareholders' Equity (Deficit)	\$ (26,312,455)	\$ (5,132,933)	\$ (3,350,634)	\$ (2,509,849)	\$ 840	\$ (45,742)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

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	W.R. Grace Land Corporation	G C Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Accounts and other receivables, net						
Receivables from/(payables to) filing and non-filing entities, net	36,708,324	-	(73,061)	(12,559,518)	(264,688)	(19,471,892)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	36,708,324	-	(73,061)	(12,559,518)	(264,688)	(19,471,392)
Properties and equipment, net	-	-	-	-	438,445	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	6,284,806	-	-	-	-	-
Other assets	-	-	-	-	-	4,066
Total Assets	\$ 42,993,130	\$ -	\$ (73,061)	\$ (12,559,518)	\$ 173,757	\$ (19,467,326)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	4,066
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	199	-
Total Current Liabilities	-	-	-	-	199	4,066
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	(7,650)
Total Liabilities Not Subject to Compromise	-	-	-	-	199	(3,584)
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(812)	-	(110)	(265)	(759)	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(812)	-	(110)	(265)	(759)	-
Total Liabilities	(812)	-	(110)	(265)	(560)	(3,584)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	5,000	-	1,000	85,539	1,000	5,000
Paid in capital	19,577,160	-	-	6,541,055	4,000	6,000,000
(Accumulated deficit)/Retained earnings	23,411,782	-	(73,951)	(19,185,847)	169,317	(25,468,742)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	42,993,942	-	(72,951)	(12,559,253)	174,317	(19,463,742)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 42,993,130	\$ -	\$ (73,061)	\$ (12,559,518)	\$ 173,757	\$ (19,467,326)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

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	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net						
Receivables from/(payables to) filing and non-filing entities, net	23,478,912	6,345,361	810,265	(59,581,637)	(185)	(86,721)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	23,478,912	6,345,361	810,265	(59,581,637)	(185)	(86,721)
Properties and equipment, net						
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 23,478,912	\$ 6,345,361	\$ 810,265	\$ (59,581,637)	\$ (185)	\$ (86,721)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(1,237)	(300)	(335)	(405)	(185)	(110)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(1,237)	(300)	(335)	(405)	(185)	(110)
Total Liabilities	(1,237)	(300)	(335)	(405)	(185)	(110)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,090,000	1,000	1,000	303,000	-	-
Paid in capital	33,631,999	18,090,032	-	37,765,000	-	1,900,000
(Accumulated deficit)/Retained earnings	(11,241,851)	(11,745,371)	809,600	(97,649,232)	-	(1,986,611)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	23,480,148	6,345,661	810,600	(59,581,232)	-	(86,611)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 23,478,912	\$ 6,345,361	\$ 810,265	\$ (59,581,637)	\$ (185)	\$ (86,721)

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	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net						
Receivables from/(payables to) filing and non-filing entities, net	352,712,699	4,389,612	(15,750,664)	5,296,864	875,359	(5,289)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	352,712,699	4,389,612	(15,750,664)	5,296,864	875,359	(5,289)
Properties and equipment, net						
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(35,903,123)	(14,135,725)	-	-	-	-
Investment in filing and non-filing entities	187,272,210	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 504,081,786	\$ (9,746,113)	\$ (15,750,664)	\$ 5,296,864	\$ 875,359	\$ (5,289)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(119)	(110)	-	(335)	(310)	(235)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(119)	(110)	-	(335)	(310)	(235)
Total Liabilities	(119)	(110)	-	(335)	(310)	(235)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	(114,960)	100	1,000	1,000
Paid in capital	451,425,156	(2,089,027)	34,215,000	-	-	-
(Accumulated deficit)/Retained earnings	52,655,749	(7,657,976)	(49,850,704)	5,297,099	874,669	(6,054)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	504,081,905	\$ (9,746,003)	\$ (15,750,664)	5,297,199	875,669	\$ (5,054)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 504,081,786	\$ (9,746,113)	\$ (15,750,664)	\$ 5,296,864	\$ 875,359	\$ (5,289)

Note #3

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W.R. Grace & Co. - Chapter 11 Filing Entities

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	Coalgrace II, Inc.	Gracoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	108,105	130,215,583	145,239,206	(81,115,113)	47,407,796	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	108,105	130,215,583	145,239,206	(81,115,113)	47,407,796	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 108,105	\$ 130,215,583	\$ 145,239,206	\$ (81,115,113)	\$ 47,407,796	\$ -
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	27,277,846	27,277,846	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	27,277,846	27,277,846	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(335)	1,749,665	1,749,790	(480)	(110)	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(335)	1,749,665	1,749,790	(480)	(110)	-
Total Liabilities	(335)	29,027,511	29,027,636	(480)	(110)	-
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	1,000	1,000	100	124,473	1,000
Paid in capital	-	30,293,750	13,880,108	51,173,713	7,308,934	-
(Accumulated deficit)/Retained earnings	107,440	70,893,322	102,331,362	(132,412,819)	40,097,972	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	108,440	101,188,072	116,211,570	(81,114,633)	47,407,906	-
Total Liabilities and Shareholders' Equity (Deficit)	\$ 108,105	\$ 130,215,583	\$ 145,239,206	\$ (81,115,113)	\$ 47,407,796	\$ -

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

June 30, 2004

	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	Reporting Reclassest
ASSETS					
Current Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	-	-	-	-	-
Inventories	-	-	-	-	(6,208,228)
Deferred income taxes	-	-	-	-	-
Other current assets	-	-	-	-	-
Total Current Assets	-	-	-	-	(6,208,228)
Properties and equipment, net	-	-	-	-	-
Goodwill	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-
Deferred income taxes	-	-	-	-	(196,706,860)
Asbestos-related insurance receivable	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-
Investment in filing and non-filing entities	-	-	(1,316,202,717)	218,554,939	2,000,000
Other assets	-	-	(1,101,282)	-	-
Total Assets	\$ -	\$ -	\$ (1,317,303,999)	\$ 218,554,939	\$ (200,915,088)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)					
Liabilities Not Subject to Compromise					
Current Liabilities					
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-
Income taxes payable	-	-	-	-	5,000,000
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-
Other current liabilities	-	-	-	-	(16,908,228)
Total Current Liabilities	-	-	-	-	(11,908,228)
Debt payable after one year	-	-	-	-	-
Deferred income taxes	-	-	-	-	(196,706,860)
Asbestos-related liability expected to be disbursed after one year	-	-	(100,000)	-	-
Other liabilities	-	-	(100,000)	-	-
Total Liabilities Not Subject to Compromise	-	-	(100,000)	-	(208,615,088)
Liabilities Subject to Compromise					
Debt, pre-petition plus accrued interest	-	-	-	-	-
Accounts payable	-	-	-	-	-
Income taxes payable	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total Liabilities Subject to Compromise	-	-	-	-	-
Total Liabilities	-	-	(100,000)	-	(208,615,088)
Shareholders' Equity (Deficit)					
Preferred Stock	-	-	-	-	-
Common Stock	-	-	(86,493,960)	-	-
Paid in capital	-	-	(1,209,470,000)	-	-
(Accumulated deficit)/Retained earnings	-	-	(21,240,039)	244,523,343	2,000,000
Treasury stock, at cost	-	-	-	-	-
Accumulated other comprehensive loss	-	-	(25,968,404)	-	5,700,000
Total Shareholders' Equity (Deficit)	-	-	(1,317,203,999)	\$ 218,554,939	\$ 7,700,000
Total Liabilities and Shareholders' Equity (Deficit)	\$ -	\$ -	\$ (1,317,303,999)	\$ 218,554,939	\$ (200,915,088)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities Combining Balance Sheet MOR - 3 June 30, 2004		COMBINED FILING ENTITIES
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 202,181,323	
Accounts and other receivables, net	125,606,413	
Receivables from/(payables to) filing and non-filing entities, net	43,378,174	
Inventories	78,605,848	
Deferred income taxes	25,834,394	
Other current assets	16,198,722	
Total Current Assets	491,804,874	
Properties and equipment, net	366,806,547	
Goodwill	14,499,090	
Cash value of company owned life insurance, net of policy loans	96,598,587	
Deferred income taxes	613,313,994	
Asbestos-related insurance receivable	263,969,249	
Loans receivable from/(payable to) filing and non-filing entities, net	357,097,284	
Investment in filing and non-filing entities	386,643,627	
Other assets	73,059,790	
Total Assets	\$ 2,663,793,041	
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Liabilities Not Subject to Compromise		
Current Liabilities		
Debt payable within one year	\$ 0	
Accounts payable	44,208,767	
Income taxes payable	5,000,268	
Asbestos-related liability expected to be disbursed within one year	-	
Other current liabilities	74,213,978	
Total Current Liabilities	123,423,013	
Debt payable after one year	-	
Deferred income taxes	-	
Asbestos-related liability expected to be disbursed after one year	0	
Other liabilities	261,966,194	
Total Liabilities Not Subject to Compromise	385,389,207	
Liabilities Subject to Compromise		
Debt, pre-petition plus accrued interest	557,211,342	
Accounts payable	31,387,403	
Income taxes payable	224,869,517	
Asbestos-related liability	988,425,022	
Other liabilities	645,561,918	
Total Liabilities Subject to Compromise	2,447,455,202	
Total Liabilities	2,832,844,409	
Shareholders' Equity (Deficit)		
Preferred Stock	112	
Common Stock	773,794	
Paid in capital	430,524,813	
(Accumulated deficit)/Retained earnings	(133,734,274)	
Treasury stock, at cost	(133,859,453)	
Accumulated other comprehensive loss	(332,756,360)	
Total Shareholders' Equity (Deficit)	(169,051,368)	
Total Liabilities and Shareholders' Equity (Deficit)	\$ 2,663,793,041	

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 5

W. R. Grace & Co. - Conn
Status of Postpetition Taxes
MOR-4
June 30, 2004

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ 12,423	\$ 2,275,694	\$ (2,275,694)	\$ 12,423
FICA - Employee	4,418	1,165,497	(1,165,254)	4,661
FICA and payroll- Employer	1,202,955	1,165,637	(2,677,211)	(308,619)
Unemployment	-	5,107	(5,107)	-
Other	-	9,405	(9,405)	-
Total Federal Taxes	\$ 1,219,796	\$ 4,621,340	\$ (6,132,671)	\$ (291,535)
State and Local				
Withholding	\$ -	\$ 778,930	\$ (778,930)	\$ -
Sales & Use	770,541	142,859	(375,519)	537,881
Property Taxes	2,827,330	401,908	(252,717)	2,976,521
Other	-	-	-	-
Total State and Local	\$ 3,597,871	\$ 1,323,697	\$ (1,407,166)	\$ 3,514,402
Total Taxes	\$ 4,817,667	\$ 5,945,037	\$ (7,539,837)	\$ 3,222,867

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR - 5) for attestation related to accounts payable and tax obligations.

Chart 5

Remedium Group, Inc.
Status of Postpetition Taxes
MOR-4
June 30, 2004

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ 14,706	\$ (14,706)	\$ -
FICA - Employee	-	2,672	(2,672)	-
FICA and payroll- Employer	-	2,672	(2,672)	-
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ -	\$ 20,050	\$ (20,050)	\$ -
State and Local				
Withholding	\$ -	\$ 633	\$ (633)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ -	\$ 633	\$ (633)	\$ -
Total Taxes	\$ -	\$ 20,683	\$ (20,683)	\$ -

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR - 5) for attestation related to accounts payable and tax obligations.

Chart 5

Grace Washington, Inc.
Status of Postpetition Taxes
MOR-4
June 30, 2004

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ 9,848	\$ (9,848)	\$ -
FICA - Employee	-	494	(494)	-
FICA and payroll- Employer	-	494	(494)	-
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ -	\$ 10,836	\$ (10,836)	\$ -
State and Local				
Withholding	\$ -	\$ 1,908	\$ (1,908)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ -	\$ 1,908	\$ (1,908)	\$ -
Total Taxes	\$ -	\$ 12,744	\$ (12,744)	\$ -

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

L B Realty, Inc.
Status of Postpetition Taxes
MOR-4
June 30, 2004

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	-	-	-	-
FICA and payroll- Employer	-	-	-	-
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ -	\$ -	\$ -	\$ -
State and Local				
Withholding	\$ -	\$ -	\$ -	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ -	\$ -	\$ -	\$ -
Total Taxes	\$ -	\$ -	\$ -	\$ -

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR - 5) for attestation related to accounts payable and tax obligations.

Chart 5

Darex Puerto Rico, Inc.
Status of Postpetition Taxes
MOR-4
June 30, 2004

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	(294)	736	(736)	(294)
FICA and payroll- Employer	1,986	736	(338)	2,384
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ 1,692	\$ 1,472	\$ (1,074)	\$ 2,090
State and Local				
Withholding	\$ 7	\$ 1,130	\$ (1,130)	\$ 7
Sales & Use	-	-	-	-
Property Taxes	308,028	4,064	-	312,092
Other	-	-	-	-
Total State and Local	\$ 308,035	\$ 5,194	\$ (1,130)	\$ 312,099
Total Taxes	\$ 309,727	\$ 6,666	\$ (2,204)	\$ 314,189

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 6

W. R. Grace & Co. - Conn
Accounts Receivable Reconciliation and Aging
MOR-5
June 2004

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ 110,634,576
Amounts billed during the period	78,375,945
Amounts collected during the period	(76,214,838)
Other	4,163,077
Trade accounts receivable at the end of month, gross	\$ 116,958,760

Trade Accounts Receivable Aging

Current	\$ 88,325,649
1-30 days past due	22,545,714
31-60 days past due	6,150,598
+61 days past due	(63,201)
Trade accounts receivable, gross	116,958,760
Allowance for doubtful accounts	(776,546)
Trade accounts receivable, net	\$ 116,182,214

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ 116,182,214
Customer notes and drafts receivable	613,379
Pending customer credit notes	(18,855)
Advances and deposits	4,771,362
Nontrade receivables, net	1,613,760
Total notes and accounts receivable, net	\$ 123,161,860

Chart 6

Remedium Group, Inc.
Accounts Receivable Reconciliation and Aging
MOR-5
June 2004

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

Trade Accounts Receivable Aging

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	-
Total notes and accounts receivable, net	\$ -

Chart 6

Darex Puerto Rico, Inc.
Accounts Receivable Reconciliation and Aging
MOR-5
June 2004

Trade Accounts Receivable Reconciliation	
Trade accounts receivable, beginning of month, gross	\$ 2,673,992
Amounts billed during the period	704,714
Amounts collected during the period	(958,285)
Other	(56,811)
Trade accounts receivable at the end of month, gross	\$ 2,363,610
Trade Accounts Receivable Aging	
Current	\$ 1,799,011
1-30 days past due	507,080
31-60 days past due	13,992
+61 days past due	43,527
Trade accounts receivable, gross	2,363,610
Allowance for doubtful accounts	(11,669)
Trade accounts receivable, net	\$ 2,351,941
Notes and Accounts Receivable Reconciliation	
Trade accounts receivable, net	\$ 2,351,941
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	-
Total notes and accounts receivable, net	\$ 2,351,941

Chart 6

Grace Europe, Inc.
Accounts Receivable Reconciliation and Aging
MOR-5
June 2004

Trade Accounts Receivable Reconciliation	
Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -
Trade Accounts Receivable Aging	
Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -
Notes and Accounts Receivable Reconciliation	
Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	92,611
Total notes and accounts receivable, net	\$ 92,611

Chart 7

W.R. Grace & Co., et al Debtor Questionnaire MOR - 5 June 2004	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account for this reporting period? If yes, provide an explanation below.		See Note #5 below
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in affect? If no, provide and explanation below.	X	
5. Are post-petition accounts payable and tax obligations current and paid to date? If no, provide an explanation.	X (unless disputed in normal course of business)	

Note #5

As part of the first day orders submitted to the court on April 2, 2001, an application for the Debtors to (a) continue and maintain their consolidated cash management system, (b) continue and maintain their existing bank accounts and (c) continue to use existing business forms and granting related relief was included. The Debtors have continued to use their existing bank accounts and no new debtor in possession accounts have been established.

List assets sold/transferred outside the normal course of business over \$25,000:		
Description of Asset	Sale Date	Proceeds

Combined Chapter 11 Filing Entity Statements

Chart 8

W. R. Grace & Co. - Chapter 11 Filing Entities Combined Statement of Operations					
<i>In millions</i>	Month Ended June 30,		Six Months Ended June 30,		
	2004	2003	2004	2003	
Net sales to third parties	\$ 79.1	\$ 68.4	\$ 433.8	\$ 401.0	
Net sales to non-filing entities	23.6	12.7	131.4	77.1	
Interest and royalties from non-filing entities	2.1	3.8	16.5	22.1	
	104.8	84.9	581.7	500.2	
Cost of goods sold to third parties	50.9	45.8	290.8	274.2	
Cost of goods sold to non-filing entities	19.6	9.4	109.2	56.3	
Selling, general and administrative expenses	23.1	17.1	129.6	113.0	
Depreciation and amortization	4.4	5.6	28.4	31.4	
Research and development expenses	2.9	3.5	17.4	21.7	
Net pension expense	6.4	3.8	24.7	24.3	
Interest expense	1.2	1.4	7.5	8.2	
Other expense (income)	(1.4)	(3.1)	6.8	(8.7)	
Provision for environmental remediation	-	0.5	-	2.5	
	107.1	84.0	614.4	522.9	
(Loss) income before Chapter 11 expenses, income taxes and equity in net income of non-filing entities	(2.3)	0.9	(32.7)	(22.7)	
Chapter 11 expenses, net	(0.6)	(2.2)	(7.5)	(9.5)	
Provision for income taxes	(4.0)	(2.1)	(2.9)	(0.1)	
Loss before equity in net income of non-filing entities	(6.9)	(3.4)	(43.1)	(32.3)	
Equity in net income of non-filing entities	17.8	8.3	80.2	36.5	
Net income	\$ 10.9	\$ 4.9	\$ 37.1	\$ 4.2	

The Notes to Combined Financial Statements are an integral part of these statements.

W. R. Grace & Co. - Chapter 11 Filing Entities

Combined Functional Basis Statement of Cash Flows

<i>In millions</i>	Month Ended June 30, 2004	Six Months Ended June 30, 2004
Core operations cash flow		
Pre-tax income from core operations	\$ (3.8)	\$ (11.9)
Depreciation and amortization	4.4	28.4
Payments to fund defined benefit pension arrangements	0.6	16.5
Cash received from Non-Filing entity operating loans	(0.4)	(2.2)
Cash received from Non-Filing entity investment	46.3	115.6
Changes in all core assets/liabilities and other	-	0.9
Core Pre-tax Operating Cash Flow	43.7	119.2
Capital expenditures	(3.0)	(15.9)
Core Pre-tax Operating Free Cash Flow	40.7	103.3
Charges against core reserves		
Pension liabilities	-	-
Deferred compensation	(0.2)	(0.4)
Self insurance	-	-
Total Spending Against Core Reserves	(0.2)	(0.4)
Net Core Cash Flow	40.5	102.9
Noncore cash flow		
Proceeds from asset sales	0.2	1.3
Benefit proceeds under life insurance policies	2.3	10.5
Other noncore pretax cash flow	(0.3)	(1.9)
Noncore Pre-tax Cash Flow	2.2	9.9
Charges against noncore reserves		
Asbestos		
Asbestos claims processing	(0.7)	(3.8)
Less - insurance recovery	(1.9)	5.4
Net asbestos payments	(2.6)	1.6
Environmental remediation	1.1	(2.9)
Retained obligations and other	0.1	(0.7)
Postretirement benefits	(0.8)	(5.5)
Total Spending Against Noncore Reserves	(2.2)	(7.5)
Noncore Cash Flow	-	2.4
Total Pre-tax/Pre-interest/Pre-Chapter 11 Cash Flow	40.5	105.3
Cash paid for taxes, net of refunds	(0.6)	(1.8)
Cash paid for interest, net	(0.1)	(0.8)
Chapter 11 expenses paid	(2.2)	(6.1)
Cash Flow before Strategic Investments	37.6	96.6
Strategic Investments		
Cash paid for businesses acquired	-	-
Proceeds from exercise of stock options	0.2	0.2
Cash used for Strategic Investments	0.2	0.2
Cash Flow after Strategic Investments	37.8	96.8
Borrowings (repayments) under the DIP facility, net of fees	(0.1)	(1.0)
Net (investing)/financing activities under life insurance policies	(7.4)	(14.1)
Net Cash Flow	\$ 30.3	\$ 81.7

The Notes to Combined Financial Statements are an integral part of these statements.

Chart 10

W. R. Grace & Co. - Chapter 11 Filing Entities Combined Balance Sheet			
<i>In millions</i>	June 30, 2004	December 31, 2003	April 2, 2001
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 202.2	\$ 120.5	\$ 8.6
Accounts and other receivables, net	125.6	105.6	43.8
Receivables from non-filing entities, net	43.4	46.2	51.2
Inventories	78.6	81.2	80.6
Deferred income taxes	25.8	26.0	80.9
Asbestos-related insurance expected to be realized within one year	-	-	17.0
Other current assets	16.2	21.9	21.9
Total Current Assets	491.8	401.4	304.0
Properties and equipment, net	366.8	383.9	400.4
Goodwill	14.5	14.5	13.6
Cash value of life insurance policies, net of policy loans	96.6	90.8	64.1
Deferred income taxes	613.3	587.9	401.0
Asbestos-related insurance expected to be realized after one year	264.0	269.4	323.4
Loans receivable from non-filing entities, net	357.1	448.0	387.5
Investment in non-filing entities	386.6	283.8	121.0
Other assets	73.1	78.2	308.5
Total Assets	\$ 2,663.8	\$ 2,557.9	\$ 2,323.5
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Liabilities Not Subject to Compromise			
Current Liabilities			
Debt payable within one year	\$ -	\$ -	\$ -
Accounts payable	44.2	38.3	-
Income taxes payable	5.0	5.0	-
Other current liabilities	74.2	54.7	-
Total Current Liabilities	123.4	98.0	-
Debt payable after one year	-	-	-
Other liabilities	262.0	191.2	31.8
Total Liabilities Not Subject to Compromise	385.4	289.2	31.8
Liabilities Subject to Compromise			
Debt, pre-petition plus accrued interest	557.2	552.7	511.5
Accounts payable	31.4	31.9	43.0
Income taxes payable	224.9	217.9	210.1
Asbestos-related liability	988.4	992.3	1,002.8
Other liabilities	645.6	657.5	598.6
Total Liabilities Subject to Compromise	2,447.5	2,452.3	2,366.0
Total Liabilities	2,832.9	2,741.5	2,397.8
Shareholders' Equity (Deficit)			
Common stock	0.8	0.8	0.8
Paid in capital	430.5	432.1	432.6
Accumulated deficit	(133.8)	(170.9)	(201.8)
Treasury stock, at cost	(133.9)	(135.9)	(136.4)
Accumulated other comprehensive income (loss)	(332.7)	(309.7)	(169.5)
Total Shareholders' Equity (Deficit)	(169.1)	(183.6)	(74.3)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 2,663.8	\$ 2,557.9	\$ 2,323.5

The Notes to Combined Financial Statements are an integral part of these statements.

W. R. Grace & Co.
Notes to Combined Financial Statements
June 30, 2004

1. Basis of Presentation and Summary of Significant Accounting and Financial Reporting Policies

W. R. Grace & Co., through its subsidiaries, is engaged in specialty chemicals and specialty materials businesses on a worldwide basis through two business segments: "Davison Chemicals," which includes two product groups - refining technologies and specialty materials; and "Performance Chemicals," which includes three product groups – specialty construction chemicals, building materials and sealants and coatings.

W. R. Grace & Co. conducts substantially all of its business through a direct, wholly owned subsidiary, W. R. Grace & Co.-Conn. ("Grace-Conn."). Grace-Conn. owns substantially all of the assets, properties and rights of W. R. Grace & Co. on a consolidated basis, either directly or through subsidiaries.

As used in these notes, the term "Company" refers to W. R. Grace & Co. The term "Grace" refers to the Company and/or one or more of its subsidiaries and, in certain cases, their respective predecessors.

VOLUNTARY BANKRUPTCY FILING

In response to a sharply increasing number of asbestos-related bodily injury claims, on April 2, 2001 (the "Filing Date"), W. R. Grace & Co. and 61 of its United States subsidiaries and affiliates, including Grace-Conn. (collectively, the "Debtors"), filed voluntary petitions for reorganization (the "Filing") under Chapter 11 of the United States Bankruptcy Code ("Chapter 11" or the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The cases were consolidated and are being jointly administered under case number 01-01139 (the "Chapter 11 Cases"). Grace's non-U.S. subsidiaries and certain of its U.S. subsidiaries were not included in the Filing.

During 2000 and the first quarter of 2001, Grace experienced several adverse developments in its asbestos-related litigation, including: a significant increase in bodily injury claims, higher than expected costs to resolve bodily injury and certain property damage claims, and class action lawsuits alleging

damages from a former attic insulation product. After a thorough review of these developments, the Board of Directors of Grace concluded on April 2, 2001 that a federal court-supervised Chapter 11 process provided the best forum available to achieve predictability and fairness in the claims settlement process. Under Chapter 11, the Debtors have continued to operate their businesses as debtors-in-possession under court protection from their creditors and claimants, while using the Chapter 11 process to develop and implement a plan for addressing the asbestos-related claims against them. Since the Filing, all motions necessary to conduct normal business activities have been approved by the Bankruptcy Court.

The Debtors intend to address all of their pending and future asbestos-related claims and all other pre-petition claims in a plan of reorganization. The interests of the Company's shareholders could be substantially diluted or cancelled under a plan of reorganization. The value of Grace common stock following a plan of reorganization, and the extent of any recovery by non-asbestos-related creditors, will depend principally on the ultimate value assigned to Grace's asbestos-related claims, which will be addressed through the Bankruptcy Court proceedings.

Status of Chapter 11 Proceedings – As a consequence of the Filing, pending litigation against the Debtors for pre-petition matters is generally stayed (subject to certain exceptions in the case of governmental authorities), and no party may take action to realize its pre-petition claims except pursuant to an order of the Bankruptcy Court.

As provided by the Bankruptcy Code, the Debtors had the exclusive right to propose a plan of reorganization for a 120-day period following the Filing Date. The Debtors have received extensions of their exclusivity period through November 24, 2004, and extensions of the Debtors' exclusive right to solicit acceptances of a plan of reorganization through January 24, 2005. In connection with this most recent extension, the Debtors are required to file a proposed plan of reorganization by October 14, 2004. (See "Plan of Reorganization" for more information.)

Three creditors' committees, two representing asbestos claimants and the third representing other unsecured creditors, and a committee representing

shareholders have been appointed in the Chapter 11 Cases. These committees and a legal representative of future asbestos claimants (appointed in May 2004), have the right to be heard on all matters that come before the Bankruptcy Court and are likely to play important roles in the Chapter 11 Cases. The Debtors are required to bear certain costs and expenses of the committees and of the future asbestos claimants' representative, including those of their counsel and financial advisors.

The Debtors' Chapter 11 cases had been assigned to Judge Alfred M. Wolin, a senior federal judge who sits in Newark, New Jersey. Judge Wolin was presiding over asbestos bodily injury matters and the fraudulent conveyance litigation described below. He assigned the Debtors' other bankruptcy matters to Judge Judith Fitzgerald, a U.S. bankruptcy judge from the Western District of Pennsylvania, sitting in Wilmington, Delaware. On May 17, 2004, a federal appeals court recused Judge Wolin and on May 27, 2004, Judge Ronald L. Buckwalter, a District Court Judge from the Eastern District of Pennsylvania, was assigned to the Chapter 11 cases.

Claims Filings – The Bankruptcy Court established a bar date of March 31, 2003 for claims of general unsecured creditors, asbestos-related property damage claims and medical monitoring claims related to asbestos. The bar date did not apply to asbestos-related bodily injury claims or claims related to Zonolite attic insulation ("ZAI"), which will be dealt with separately.

Approximately 15,000 proofs of claim were filed by the bar date. Of these claims, approximately 10,000 were non-asbestos related, approximately 4,000 were for asbestos-related property damage, and approximately 1,000 were for medical monitoring. In addition, approximately 500 proofs of claim were filed after the bar date. The discussion below refers to claims filed before the bar date.

Approximately 7,000 of the 10,000 non-asbestos related claims involve claims by employees or former employees for future retirement benefits such as pension and retiree medical coverage. Grace views most of these claims as contingent and does not plan to address them until a later date in the Chapter 11 proceeding. The other non-asbestos related claims include claims for payment for goods and services;

taxes; product warranties; principal plus interest under pre-petition credit facilities; amounts due under leases; leases and other executory contracts rejected in the Bankruptcy Court; environmental remediation; indemnification or contribution from actual or potential co-defendants in asbestos-related and other litigation; pending non-asbestos-related litigation; and non-asbestos related personal injury.

The Debtors' analysis indicates that many claims are duplicates, represent the same claim filed against more than one of the Debtors, lack any supporting documentation, or provide insufficient supporting documentation. As of June 30, 2004, the Debtors had filed with the Bankruptcy Court approximately 1,400 objections with respect to such claims, most of which were non-substantive (duplicates, no supporting documentation, late filed claims, etc.). The Debtors expect to file a substantial number of additional objections, most of which will be substantive, as analysis and evaluation of the claims progresses. However, based on its initial claims analysis and other available information, Grace increased its estimated liability for environmental remediation and asbestos-related litigation in the fourth quarter of 2003. No other changes to Filing Date liabilities are deemed warranted as of June 30, 2004.

The medical monitoring claims were made by individuals who allege exposure to asbestos through Grace's products or operations. These claims, if sustained, would require Grace to fund ongoing health monitoring costs for qualified claimants. However, based on the number and expected cost of such claims, Grace does not believe such claims will have a material effect on its Consolidated Financial Statements. No specific liability has been established for these claims.

Grace believes that its recorded liabilities represent a reasonable estimate of the ultimate allowable amount for claims that are not in dispute or have been submitted with sufficient information to both evaluate merit and estimate the cost of the claim. However, because of the uncertainties of the Chapter 11 and litigation process, the in-progress state of Grace's efforts to resolve disputed claims, and the lack of documentation in support of many claims, such recorded liabilities may prove to be insufficient to satisfy all of such claims. As claims are resolved, or where better information becomes available and is

evaluated, Grace will make adjustments to the liabilities recorded on its financial statements as appropriate. Any such adjustments could be material to its consolidated financial position and results of operations.

Litigation Proceedings in Bankruptcy Court – In July 2002, the Bankruptcy Court approved special counsel to represent, at the Debtors' expense, the ZAI claimants in a proceeding to determine certain threshold scientific issues regarding ZAI. The Bankruptcy Court has established October 18 and 19, 2004 as the dates for oral arguments of pending motions.

In September 2000, Grace was named in a purported class action lawsuit filed in California Superior Court for the County of San Francisco, alleging that the 1996 reorganization involving a predecessor of Grace and Fresenius Medical Care Holdings, Inc. ("Fresenius") and the 1998 reorganization involving a predecessor of Grace and Sealed Air Corporation ("Sealed Air") were fraudulent transfers. The Bankruptcy Court authorized the Official Committee of Asbestos Personal Injury Claimants and the Official Committee of Asbestos Property Damage Claimants to proceed with claims against Fresenius and Sealed Air on behalf of the Debtors' estates.

On November 29, 2002, Sealed Air and Fresenius each announced that they had reached agreements in principle with such Committees to settle asbestos and fraudulent conveyance claims related to such transactions. Under the terms of the Fresenius settlement, as subsequently revised and subject to certain conditions, Fresenius would contribute \$115.0 million to the Debtors' estate as directed by the Bankruptcy Court upon confirmation of the Debtors' plan of reorganization, subject to the fulfillment of specified conditions. In July 2003, the Fresenius settlement was approved by the Bankruptcy Court. Under the terms of the proposed Sealed Air settlement, Sealed Air would make a payment of \$512.5 million (plus interest at 5.5% per annum, commencing on December 21, 2002) and nine million shares of Sealed Air common stock (valued at \$479.4 million as of June 30, 2004), as directed by the Bankruptcy Court upon confirmation of the Debtors' plan of reorganization. The Sealed Air settlement has not been agreed to by the Debtors and remains subject to the approval of the Bankruptcy Court and the

fulfillment of specified conditions. The Debtors are unable to predict how these settlements may ultimately affect their plan of reorganization.

Plan of Reorganization – As noted under "Status of Chapter 11 Proceedings," the Debtors are required to submit a proposed plan of reorganization (the "Plan") by October 14, 2004. In the Plan, the Debtors will propose how to resolve their pre-petition liabilities and contingencies, including undisputed trade-related, employee-related and financing-related claims, as well as claims associated with asbestos-related litigation, environmental remediation, tax matters and other claims filed with the Bankruptcy Court that the Debtors may dispute.

The Chapter 11 proceedings, including the proposed Plan due in October or any revised Plan, could result in allowable claims that differ materially from recorded amounts or amounts in the proposed Plan. Grace will continue to adjust its estimates of allowable claims as facts come to light during the Chapter 11 process that justify a change, and as Chapter 11 proceedings establish the amount of Grace's pre-petition liabilities.

Impact on Debt Capital – All of the Debtors' pre-petition debt is in default due to the Filing. The accompanying Consolidated Balance Sheet as of June 30, 2004 reflects the classification of the Debtors' pre-petition debt within "liabilities subject to compromise."

The Debtors have entered into a debtor-in-possession post-petition loan and security agreement with Bank of America, N.A. (the "DIP facility") in the aggregate amount of \$250 million. The term of the DIP facility expires on April 1, 2006.

Accounting Impact – The accompanying Consolidated Financial Statements have been prepared in accordance with Statement of Position 90-7 ("SOP 90-7"), "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code," promulgated by the American Institute of Certified Public Accountants. SOP 90-7 requires that financial statements of debtors-in-possession be prepared on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the ordinary course of business. However, as a result of the Filing, the realization of

certain of Debtors' assets and the liquidation of certain of Debtors' liabilities are subject to significant uncertainty. While operating as debtors-in-possession, the Debtors may sell or otherwise dispose of assets and liquidate or settle liabilities for amounts other than those reflected in the Consolidated Financial Statements. Further, a plan of reorganization could materially change the amounts and classifications reported in the Consolidated Financial Statements, which do not currently give effect to any adjustments to the carrying value or classification of assets or liabilities that might be necessary as a consequence of a plan of reorganization.

Pursuant to SOP 90-7, Grace's pre-petition liabilities that are subject to compromise are required to be reported separately on the balance sheet at an estimate of the amount that will ultimately be allowed by the Bankruptcy Court. As of June 30, 2004, such pre-petition liabilities include fixed obligations (such as debt and contractual commitments), as well as estimates of costs related to contingent liabilities (such as asbestos-related litigation, environmental remediation, and other claims). The recorded amounts of such liabilities generally reflect accounting measurements as of the Filing Date, adjusted as warranted for changes in facts and circumstances, new information obtained in the claims review process, and/or rulings under Grace's Chapter 11 proceedings subsequent to the Filing. Obligations of Grace subsidiaries not covered by the Filing continue to be classified on the Consolidated Balance Sheets based upon maturity dates or the expected dates of payment. SOP 90-7 also requires separate reporting of certain expenses, realized gains and losses, and provisions for losses related to the Filing as reorganization items.

Basis of Presentation

The interim Combined Financial Statements presented herein represent the results of operations, cash flows and financial position of the Debtors. These financial statements pertain to periods beginning with, and subsequent to, the Filing Date and have been prepared in conformity with requirements of the Bankruptcy Court. Consequently, these financial statements do not purport to present the financial performance of W. R. Grace & Co. in conformity with generally accepted

accounting principles which would require the consolidation of all controlled subsidiaries and more extensive notes and analysis related to the worldwide operations of W. R. Grace & Co. Financial activity of non-Debtor entities is not presented herein. However, all non-Debtor entities are either directly or indirectly controlled by the Debtors and, accordingly, non-Debtor financial results are reflected under the equity method of accounting. These financial statements are unaudited and should be read in conjunction with the consolidated financial statements presented in W. R. Grace & Co.'s 2003 Form 10-K and when filed, its 2004 Form 10-K and other periodic filings with the U.S. Securities and Exchange Commission.

These interim Combined Financial Statements reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the interim periods presented under generally accepted accounting principles; all such adjustments are of a normal recurring nature. All significant inter-Debtor accounts and transactions have been eliminated. Transactions and balances with non-Debtor entities are separately disclosed. Certain amounts in prior years' Combined Financial Statements have been reclassified to conform to the 2004 presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principals requires that management make estimates and assumptions affecting the assets and liabilities reported at the date of the Consolidated Financial Statements, and the revenues and expenses reported for the periods presented. Actual amounts could differ from those estimates. Changes in estimates are recorded in the period identified. Grace's accounting measurements that are most affected by management's estimates of future events are:

- Contingent liabilities such as asbestos-related matters, environmental remediation, income taxes and retained obligations of divested businesses.
- Pension and post-retirement liabilities that depend on assumptions regarding discount rates and/or total returns on invested funds.

- Depreciation and amortization periods for long-lived assets, including property and equipment, intangible, and other assets.
- Realization values of various assets such as net deferred tax assets, trade receivables, inventories, insurance receivables, income taxes, and goodwill.

The accuracy of these and other estimates may also be materially affected by the uncertainties arising under the Chapter 11 Cases.

2. Chapter 11 Related Financial Information

As a result of the Filing, Grace's Consolidated Balance Sheets separately identify the liabilities that are "subject to compromise" as a result of the Chapter 11 proceedings. In Grace's case, "liabilities subject to compromise" represent pre-petition liabilities as determined under U.S. generally accepted accounting principles. Changes to the recorded amount of such liabilities will be based on developments in the Chapter 11 Cases and management's assessment of the claim amounts that will ultimately be allowed by the Bankruptcy Court. Changes to pre-petition liabilities subsequent to the Filing Date reflect: 1) cash payments under approved court orders; 2) the accrual of interest on pre-petition debt at the pre-petition contractual rate; 3) accruals for employee-related programs; and 4) changes in estimates related to pre-petition contingent liabilities.

Set forth below is a reconciliation of the changes in pre-filing date liability balances for the period from the Filing Date through June 30, 2004.

<i>(In millions)</i>	Current Month	Cumulative Since Filing
Balance, beginning of period	\$ 2,449.7	\$ 2,366.0
Cash disbursements and/or reclassifications under bankruptcy court orders:		
Freight and distribution order ...	--	(5.7)
Trade accounts payable order ...	--	(9.1)
Other court orders including employee wages and benefits, sales and use tax and customer programs	(10.5)	(206.8)
Expense/(income) items:		
Interest on pre-petition debt	0.9	52.1
Employment-related accruals	0.4	12.5
Change in estimate of asbestos-related property damage contingencies	--	30.0
Change in estimate of environmental contingencies	--	219.0
Change in estimate of income tax contingencies	6.7	15.2
Balance sheet reclassifications	0.3	(25.7)
Balance, end of period	\$ 2,447.5	\$ 2,447.5

Pre-Filing Date obligations allowable under current court orders and expected to be paid prior to an adopted plan of reorganization are classified as "liabilities not subject to compromise." Additional liabilities subject to compromise may arise due to the rejection of executory contracts or unexpired leases, or as a result of the allowance of contingent or disputed claims.

3. Other Balance Sheet Accounts

(In millions)	June 30, 2004	Filing Date
Accounts and other receivables, net		
Trade receivables, less allowance of \$0.8 (Filing Date – \$0.7)	\$ 119.1	\$ 32.3
Other receivables, less allowance of \$1.7 (Filing Date – \$2.1)	6.5	11.5
	\$ 125.6	\$ 43.8
Inventories		
Raw materials	\$ 19.6	\$ 20.3
In process	22.8	16.2
Finished products	59.9	63.8
General merchandisc	11.5	9.6
Less: Adjustment of certain inventories to a last-in/first-out (LIFO) basis	(35.2)	(29.3)
	\$ 78.6	\$ 80.6
Other Assets		
Deferred pension costs.....	\$ 6.0	\$ 227.9
Deferred charges	24.8	40.4
Long-term receivables	8.4	1.9
Long-term investments	--	2.1
Patents, licenses and other intangible assets	13.3	25.2
Pension – unamortized prior service cost.....	20.7	8.1
Other assets.....	(0.1)	2.9
	\$ 73.1	\$ 308.5
Other Current Liabilities		
Accrued compensation	\$ 39.5	\$ --
Accrued commissions	5.2	--
Customer programs	11.7	--
Accrued utilities	0.2	--
Accrued freight	2.7	--
Other accrued liabilities	14.9	--
	\$ 74.2	\$ --
Other Liabilities		
Deferred royalty income–nonfiling entities	--	31.8
Pension – underfunded plans	256.0	--
Other accrued liabilities	6.0	--
	\$ 262.0	\$ 31.8
Liabilities Subject to Compromise		
Other postretirement benefits	\$ 127.7	\$ 185.4
Environmental remediation	329.5	164.8
Retained obligations of divested businesses	56.4	75.5
Special pension arrangements ...	70.4	70.8
Deferred compensation	4.7	8.2
Self insurance reserve	20.6	11.8
Other accrued liabilities	36.3	82.1
	\$ 645.6	\$ 598.6

4. Life Insurance

Grace is the beneficiary of life insurance policies on certain current and former employees with a net cash surrender value of \$96.6 million at June 30, 2004. The policies were acquired to fund various employee benefit programs and other long-term liabilities and are structured to provide cash flow (primarily tax-free) over an extended number of years. The following table summarizes the net cash value at June 30, 2004 and Filing Date:

Components of Net Cash Value (In millions)	June 30, 2004	Filing Date
Gross cash value	\$ 471.7	\$ 453.7
Principal – policy loans	(368.2)	(390.3)
Accrued interest – policy loans....	(6.9)	0.7
Net cash value.....	\$ 96.6	\$ 64.1
Insurance benefits in force.....	\$ 2,192.9	\$2,286.0

Grace's financial statements display income statement activity and balance sheet amounts on a net basis, reflecting the contractual interdependency of policy assets and liabilities.

5. Debt

On June 30, 2004, and Filing Date, Grace's debt was as follows:

Components of Debt (In millions)	June 30, 2004	Filing Date
Debt payable within one year		
DIP facility	\$ --	\$ --
Other short-term borrowings	\$ --	\$ --
Debt payable after one year		
DIP facility	\$ --	\$ --
Other long-term borrowings	\$ --	\$ --
Debt Subject to Compromise		
Bank borrowings	\$ 500.0	\$ 500.0
8.0% Notes Due 2004	--	5.7
7.75% Notes Due 2002	--	2.0
Other borrowings	2.8	1.2
Accrued interest	54.4	2.6
	\$ 557.2	\$ 511.5

In April 2001, the Debtors entered into the DIP facility for a two-year term in the aggregate amount of \$250 million. The DIP facility is secured by a priority lien on substantially all assets of the Debtors, and bears interest based on LIBOR. The Debtors'

have extended the term of the DIP facility through April 1, 2006. Grace had no outstanding borrowings under the DIP facility as of June 30, 2004; however, \$26.3 million of standby letters of credit were issued and outstanding under the facility. The letters of credit, which reduce available funds under the facility, were issued mainly for trade-related matters such as performance bonds and certain insurance and environmental matters.

The 7.75% Notes were repaid on June 11, 2001, and the 8.0% Notes were repaid on August 15, 2001, by the unaffiliated guarantor of the Notes. Grace's liability with respect to these notes is included in other liabilities subject to compromise as of June 30, 2004.

Bank Statements



JP Morgan Chase

Statement of Account

W R GRACE & CO
C/O CORPORATE ACCOUNTING
7500 GRACE DRIVE
COLUMBIA MD 21044-4098

TS

In US Dollars
910-1-013572
01 MAY 2004
28 MAY 2004
000-USA-21
005
Page 1 of 4

TRANSACTIONS

BALANCES				ENCLOSURES	
				Credits	Debits
				0	0
Total Credits	2	200,000.00	Opening (01 MAY 2004)	116,951.16	131,474.73
Total Debits (incl. checks)	20	185,476.43	Ledger	116,951.16	131,474.73
Total Checks Paid	0	0.00	Collected		

CREDITS

Ledger Date	Adj. Ledger Date	Value	Reference	Credit/Debit	Date	Description	Closing Balances
13MAY	13MAY	USD YOUR: CAP OF 04/05/13 OUR: 1557900134J0		100,000.00	107,998.75	BOOK TRANSFER CREDIT B/O: W.R. GRACE AND COMPANY CAMBRIDGE MA 02140- REF: CHASE MEDICAL ACCT FUNDING	112,196.58
27MAY	27MAY	USD YOUR: CAP OF 04/05/27 OUR: 2555500148J0		100,000.00	107,998.75	BOOK TRANSFER CREDIT B/O: W.R. GRACE AND COMPANY CAMBRIDGE MA 02140- REF: CHASE MEDICAL ACCT FUNDING	96,868.01

DEBITS

03MAY 30APR	30APR	USD OUR: 0412400089WA	4,754.58	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 04/30/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	19MAY	83,278.37
04MAY 03MAY	03MAY	USD OUR: 0412500093WA	15,328.57	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 05/03/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	20MAY	75,891.36
05MAY 04MAY	04MAY	USD OUR: 0412600092WA	7,134.96	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 05/04/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	21MAY	68,667.49
—	—	—	—	—	22MAY	57,742.84
—	—	—	—	—	23MAY	48,629.81
—	—	—	—	—	24MAY	138,038.68
—	—	—	—	—	25MAY	131,474.73
—	—	—	—	—	26MAY	112,196.58
—	—	—	—	—	27MAY	96,868.01
—	—	—	—	—	28MAY	89,733.05
—	—	—	—	—	29MAY	78,174.67
—	—	—	—	—	30MAY	71,510.72
—	—	—	—	—	31MAY	64,641.41
—	—	—	—	—	31MAY	51,972.69
—	—	—	—	—	31MAY	133,263.27
—	—	—	—	—	31MAY	125,768.30
—	—	—	—	—	31MAY	119,207.34
—	—	—	—	—	31MAY	107,998.75
—	—	—	—	—	31MAY	97,867.19
—	—	—	—	—	31MAY	83,278.37
—	—	—	—	—	31MAY	75,891.36
—	—	—	—	—	31MAY	68,667.49
—	—	—	—	—	31MAY	57,742.84
—	—	—	—	—	31MAY	48,629.81
—	—	—	—	—	31MAY	138,038.68
—	—	—	—	—	31MAY	131,474.73
—	—	—	—	—	31MAY	112,196.58
—	—	—	—	—	31MAY	96,868.01
—	—	—	—	—	31MAY	89,733.05
—	—	—	—	—	31MAY	78,174.67
—	—	—	—	—	31MAY	71,510.72
—	—	—	—	—	31MAY	64,641.41
—	—	—	—	—	31MAY	51,972.69

FT CODE: USD : SAME DAY FUNDS
USN : NEXT DAY FUNDS

US1 - ONE DAY FLOAT
US2 - TWO DAY FLOAT

US3 - THREE DAY FLOAT
US4 - FOUR DAY FLOAT

US5 - FIVE DAY FLOAT
USM - MIXED FLOAT

PLEASE EXAMINE THIS STATEMENT OF ACCOUNT AT ONCE. THE MAINTENANCE OF THIS ACCOUNT IS SUBJECT TO THE PROVISIONS OF THE NEW YORK UNIFORM COMMERCIAL CODE AND THE BANK'S TERMS AND CONDITIONS FOR BUSINESS ACCOUNTS AND SERVICES. THE BANK DISCLAIMS RESPONSIBILITY FOR ANY ERROR IN OR IMPROPER CHARGE TO THE ACCOUNT AS RENDERED UNLESS INFORMED IN WRITING OF THIS ERROR OR CHARGE WITHIN SIXTY DAYS OF THE DELIVERY OR CHARGE. INABILITY OF THE STATEMENT AND CANCELED VOUCHERS, KINDLY REFER TO THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS STATEMENT IN ORDER TO DIRECT YOUR INQUIRIES TO THE PROPER DEPARTMENT FOR PROMPT ACTION.

W R GRACE & CO
C/O CORPORATE ACCOUNTING
7500 GRACE DRIVE
COLUMBIA MD 21044-4098

TS

Account No:
910-1-013572
Statement Start Date:
01 MAY 2004
Statement End Date:
28 MAY 2004
Statement Code:
000-USA-21
Statement No:
005

Page 2 of 4

Ledger Date	Adj Ledger Date	Value Date	F	References	Credit	Debit	Description	Date	Closing Balances	Amount
DEBITS CONTINUED										
06MAY 05MAY	05MAY	USD	OUR:	0412700091WA		11,558.38	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 05/05/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	12MAY	43,363.14	
07MAY 06MAY	06MAY	USD	OUR:	0412800092WA		6,663.95	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 05/06/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	13MAY	133,263.27	
10MAY 07MAY	07MAY	USD	OUR:	0413100090WA		6,869.31	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 05/07/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	14MAY	125,768.30	
11MAY 10MAY	10MAY	USD	OUR:	0413200090WA		12,668.72	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 05/10/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	15MAY	119,207.34	
12MAY 11MAY	11MAY	USD	OUR:	0413300090WA		8,609.55	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 05/11/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	16MAY	107,998.75	
13MAY 12MAY	12MAY	USD	OUR:	0413400091WA		10,099.87	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 05/12/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	17MAY	97,867.19	
14MAY 13MAY	13MAY	USD	OUR:	0413500092WA		7,494.97	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 05/13/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	18MAY	83,278.37	
17MAY 14MAY	14MAY	USD	OUR:	0413800088WA		6,560.96	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.	19MAY	75,891.36	

JFMorganChase**Statement Of Account**

W R GRACE & CO
C/O CORPORATE ACCOUNTING
7500 GRACE DRIVE
COLUMBIA MD 21044-4098

TS

Account No: 910-1013572
Statement Start Date: 01 MAY 2004
Statement End Date: 28 MAY 2004
Statement Code: 000-USA-21
Statement No: 005

Page 3 of 4

Ledger Date	Adj Ledger Date	Value Date	F	References	Credit / Debit	Description	Closing Balance	Amount
DEBITS CONTINUED								

18MAY 17MAY	17MAY	USD	OUR:	0413900089WA	11,208.59	002-2-416598 FOR WORK OF 05/14/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 05/17/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.	002-2-416598 FOR WORK OF 05/18/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.	002-2-416598 FOR WORK OF 05/19/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.	002-2-416598 FOR WORK OF 05/20/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.	002-2-416598 FOR WORK OF 05/21/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.	002-2-416598 FOR WORK OF 05/24/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.
19MAY 18MAY	18MAY	USD	OUR:	0414000086WA	10,131.56						
— 20MAY 19MAY	19MAY	USD	OUR:	0414100087WA	14,588.82						
— 21MAY 20MAY	20MAY	USD	OUR:	0414200090WA	7,387.01						
24MAY 21MAY	21MAY	USD	OUR:	0414500085WA	7,223.87						
25MAY 24MAY	24MAY	USD	OUR:	0414600086WA	10,924.65						
26MAY 25MAY	25MAY	USD	OUR:	0414700093WA	9,113.03						

Statement of Account

W R GRACE & CO
C/O CORPORATE ACCOUNTING
7500 GRACE DRIVE
COLUMBIA MD 21044-4098

TS

Account No: 910-1-013572
Statement Start Date: 01 MAY 2004
Statement End Date: 28 MAY 2004
Statement Code: 000-USA-21
Statement No: 005

Page 4 of 4

Ledger	Adv	Ledger	Value	F	T	References	Credit / Debit	Description	Closing Balance	Date	Amount
DEBITS CONTINUED											
27MAY 26MAY		26MAY	USD OUR:	0414800093WA			10,591.13	ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 05/26/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
28MAY 27MAY		27MAY	USD OUR:	0414900096WA			6,563.95	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 05/27/04 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			

- CHECKS

No Activity



Commercial Checking

01 2199500021812 036 130

0 0 137,583

WACHOVIA

00049317 1 MB 0.309 02 MAAD 195

W R GRACE AND CO-CONN
GENERAL ACCOUNT
ATTN:PATTY ELLIOTT-GRAY
7500 GRACE DRIVE .BLDG 25
COLUMBIA,MD 21044-4098

65

Commercial Checking

5/01/2004 thru 5/28/2004

Account number: 2199500021812
Account holder(s): W R GRACE AND CO-CONN
GENERAL ACCOUNT

Taxpayer ID Number: 135114230

Account Summary

Opening balance 5/01	\$3,800.88
Deposits and other credits	6,288,401.89 +
Other withdrawals and service fees	6,277,551.12 -
Closing balance 5/28	\$14,651.65

Deposits and Other Credits

<i>Date</i>	<i>Amount</i>	<i>Description</i>
5/10	0.00	DEPOSIT
5/10	20,315.94	DEPOSIT
5/10	541,380.35	DEPOSIT
5/13	0.00	DEPOSIT
5/13	0.00	DEPOSIT
5/13	35,623.23	DEPOSIT
5/13	171,031.19	DEPOSIT
5/25	7.10	COMMERCIAL BILLING REFUND INVOICE OVERPAYMENT FOR FEBRUARY 2004 COMMERCIAL ACCOUNT ANALYSIS CHARGES PER RECEIVABLES
5/25	2,695.54	DEPOSIT
5/25	96,709.48	DEPOSIT
5/25	5,420,639.06	DEPOSIT
Total	\$6,288,401.89	



Commercial Checking

02 2199500021812 036 130

0 0 137,584

Other Withdrawals and Service Fees

<i>Date</i>	<i>Amount</i>	<i>Description</i>
5/11	211.57	DELINQUENT SERV. CHG. INVOICE FOR DEC 2003
5/13	554,960.60	FUNDS TRANSFER (ADVICE 040513024457) SENT TO CHASE MANHATTAN B/ BNF=W R GRACE AND CO CONN OBI= RFB= 05/13/04 01:19PM
5/18	206,979.42	FUNDS TRANSFER (ADVICE 040518033412) SENT TO CHASE MANHATTAN B/ BNF=W R GRACE AND CO CONN OBI= RFB= 05/18/04 03:26PM
5/27	5,515,399.53	FUNDS TRANSFER (ADVICE 040527018015) SENT TO CHASE MANHATTAN B/ BNF=W R GRACE AND CO CONN OBI= RFB= 05/27/04 12:51PM
Total	\$6,277,551.12	

Service Fees

<i>Description</i>	<i>Quantity</i>	<i>Amount</i>	<i>Total</i>
Total			\$0.00
Average balance		\$499,092.10	
Minimum balance		\$3,800.88	

Daily Balance Summary

<i>Dates</i>	<i>Amount</i>	<i>Dates</i>	<i>Amount</i>	<i>Dates</i>	<i>Amount</i>
5/10	565,497.17	5/13	216,979.42	5/25	5,530,051.18
5/11	565,285.60	5/18	10,000.00	5/27	14,651.65

WITH VISA EXTRAS GET REWARDED FOR
EVERYDAY BUSINESS CHECK CARD PURCHASES.
PLEASE GO TO WACHOVIA.COM/VISAEEXTRAS FOR DETAILS.



Commercial Checking

03 2199500021812 036 130

0 0 137,585

Customer Service Information

**For questions about your statement
or billing errors, contact us at:**

**Business Checking, CheckCard & Loan Accounts
Commercial Checking & Loan Accounts
TDD (For the Hearing Impaired)**

Phone number

Address

WACHOVIA BANK, NATIONAL ASSOCIATION
NC8502
P O BOX 563966
CHARLOTTE NC 28262-3966

To Balance Your Account

1. Compare your account register to your account statement for unrecorded transactions (such as ATM, CheckCard, Interest earned, fees, etc.) Your new account register total should match the adjusted balance in line 6 below.

 2. Write in the closing balance shown on the front of account statement.

 3. Write in any deposits you have made since the date of this statement.

 4. Add together amounts listed above in steps 2 and 3.

 5. In the section to the right, list and total all checks and withdrawals that you have made that are not reported on your account statement. Write in the total here.

 6. Subtract the amount in line 5 from the amount in line 4. This is your *adjusted balance* and should match the balance in Step 1 above.

In Case of Errors or Questions About Your Electronic Transfers: Telephone us at 1-800-222-3862 or write to us at WACHOVIA BANK, NATIONAL ASSOCIATION, NC8502, P O BOX 563966, CHARLOTTE NC 28262-3966, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

1. Tell us your name and account number (if any).
 2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.
 3. Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error. You will have use of the money during the time it takes us to complete our investigation.



WACHOVIA

Commercial Checking

01 2079900003615 005 108

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3,942

W R GRACE & CO-CONN
62 WHITMORE AVE.
CAMBRIDGE MD 02140

CB 113

Commercial Checking

5/01/2004 thru 5/28/2004

Account number: 2079900003615
Account holder(s): W R GRACE & CO-CONN

Taxpayer ID Number: 133461988

Account Summary

Opening balance 5/01	\$0.00
Deposits and other credits	1,988,522.79 +
Other withdrawals and service fees	1,988,522.79 -
Closing balance 5/28	\$0.00

Deposits and Other Credits

Date	Amount	Description
5/03	2,057.24	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/04	2,294.73	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/05	1,389.61	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/06	4,164.21	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/11	330,799.32	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/12	1,604.45	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/12	663,369.09	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/13	3,347.35	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/13	4,804.29	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/14	1,607.30	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/17	6,947.10	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/19	3,579.86	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/20	4,512.95	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/21	55.66	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM

Deposits and Other Credits continued on next page.

**Commercial Checking**

02

2079900003615 005 108

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3,943

Deposits and Other Credits *continued*

<i>Date</i>	<i>Amount</i>	<i>Description</i>
5/25	340,879.62	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/26	1,018.01	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/26	611,996.76	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/27	1,280.17	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
5/27	2,815.07	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
Total	\$1,988,522.79	

Other Withdrawals and Service Fees

<i>Date</i>	<i>Amount</i>	<i>Description</i>
5/03	2,057.24	LIST OF DEBITS POSTED
5/04	2,294.73	LIST OF DEBITS POSTED
5/05	1,389.61	AUTOMATED DEBIT TAX SERVICE 702 PMT IMPND CO. ID. 1411902914 040505 CCD MISC C4025-023351078
5/06	4,164.21	AUTOMATED DEBIT PAYROLL CO. ID. 040506 CCD MISC SETTL NCVCERIDN WR.GRACE NC
5/11	1,085.70	AUTOMATED DEBIT CERIDIAN AKA CDC WAGE ATT CO. ID. 3411902914 040511 CCD MISC C4025-01 113743
5/11	2,930.79	AUTOMATED DEBIT TAX SERVICE 702 PMT IMPND CO. ID. 1411902914 040511 CCD MISC C2916-003372882
5/11	6,630.95	AUTOMATED DEBIT TAX SERVICE 702 PMT IMPND CO. ID. 1411902914 040511 CCD MISC C2918-003372883
5/11	9,516.05	AUTOMATED DEBIT TAX SERVICE 702 PMT IMPND CO. ID. 1411902914 040511 CCD MISC C4213-003372908
5/11	310,635.83	AUTOMATED DEBIT TAX SERVICE 702 PMT IMPND CO. ID. 1411902914 040511 CCD MISC C4025-013372904
5/12	1,604.45	AUTOMATED DEBIT TAX SERVICE 702 PMT IMPND CO. ID. 1411902914 040512 CCD MISC C4025-023375551
5/12	5,151.27	AUTOMATED DEBIT PAYROLL CO. ID. 040512 CCD MISC SETTL NCVCERIDN GRACE WAS NC
5/12	27,736.74	AUTOMATED DEBIT REMEDIUM GROUP, PAYROLL CO. ID. 040512 CCD MISC SETTL NCVCERIDN REMEDIUM NC

Other Withdrawals and Service Fees continued on next page.



Commercial Checking

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03

2079900003615 005 108

8 185

3,944

Other Withdrawals and Service Fees *continued*

<i>Date</i>	<i>Amount</i>	<i>Description</i>
5/12	54,565.10	AUTOMATED DEBIT PAYROLL CO. ID. 040512 CCD MISC SETTL NCVCERIDN GMS, INC. NC
5/12	575,915.98	AUTOMATED DEBIT PAYROLL CO. ID. 040512 CCD MISC SETTL NCVCERIDN WR.GRACE NC
5/13	3,347.35	LIST OF DEBITS POSTED
5/13	4,804.29	AUTOMATED DEBIT PAYROLL CO. ID. 040513 CCD MISC SETTL NCVCERIDN WR.GRACE NC
5/14	1,607.30	LIST OF DEBITS POSTED
5/17	6,947.10	LIST OF DEBITS POSTED
5/19	1,522.62	AUTOMATED DEBIT TAX SERVICE 702 PMT IMPND CO. ID. 1411902914 040519 CCD MISC C4025-023414812
5/19	2,057.24	LIST OF DEBITS POSTED
5/20	4,512.95	AUTOMATED DEBIT PAYROLL CO. ID. 040520 CCD MISC SETTL NCVCERIDN WR.GRACE NC
5/21	55.66	AUTOMATED DEBIT TAX SERVICE 702 PMT IMPND CO. ID. 1411902914 040521 CCD MISC C2918-003433762
5/25	1,085.70	AUTOMATED DEBIT CERIDIAN AKA CDC WAGE ATT CO. ID. 3411902914 040525 CCD MISC C4025-01 117679
5/25	2,930.79	AUTOMATED DEBIT TAX SERVICE 702 PMT IMPND CO. ID. 1411902914 040525 CCD MISC C2916-003442990
5/25	9,264.76	AUTOMATED DEBIT TAX SERVICE 702 PMT IMPND CO. ID. 1411902914 040525 CCD MISC C4213-003443015
5/25	19,583.24	LIST OF DEBITS POSTED
5/25	308,015.13	AUTOMATED DEBIT TAX SERVICE 702 PMT IMPND CO. ID. 1411902914 040525 CCD MISC C4025-013443010
5/26	1,018.01	AUTOMATED DEBIT TAX SERVICE 702 PMT IMPND CO. ID. 1411902914 040526 CCD MISC C4025-023446058
5/26	5,151.27	AUTOMATED DEBIT PAYROLL CO. ID. 040526 CCD MISC SETTL NCVCERIDN GRACE WAS NC
5/26	27,343.46	AUTOMATED DEBIT REMEDIUM GROUP, PAYROLL CO. ID. 040526 CCD MISC SETTL NCVCERIDN REMEDIUM NC

Other Withdrawals and Service Fees continued on next page.

**Commercial Checking**

04

2079900003615 005 108

8 185

3,945

Other Withdrawals and Service Fees *continued*

<i>Date</i>	<i>Amount</i>	<i>Description</i>
5/26	579,502.03	AUTOMATED DEBIT PAYROLL CO. ID. 040526 CCD MISC SETTL NCVCERIDN WR.GRACE NC
5/27	1,280.17	LIST OF DEBITS POSTED
5/27	2,815.07	AUTOMATED DEBIT PAYROLL CO. ID. 040527 CCD MISC SETTL NCVCERIDN WR.GRACE NC
Total	\$1,988,522.79	

Daily Balance Summary

<i>Dates</i>	<i>Amount</i>	<i>Dates</i>	<i>Amount</i>	<i>Dates</i>	<i>Amount</i>
5/03	0.00	5/12	0.00	5/20	0.00
5/04	0.00	5/13	0.00	5/21	0.00
5/05	0.00	5/14	0.00	5/25	0.00
5/06	0.00	5/17	0.00	5/26	0.00
5/11	0.00	5/19	0.00	5/27	0.00



Merrill Lynch Funds For Institutions

P.O. Box 8118, Boston, MA 02266-8118 (800) 225-1576

W R GRACE & CO - CONN
ATTN TREASURY DEPT
7500 GRACE DR
COLUMBIA MD 21044-4029

291

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Merrill Lynch Premier Institutional Fund

Cumulative Statement for 05/01/2004 - 05/31/2004

Account Number
318-3323735-8

Financial Advisor
H P S Group
(--73807646)

Account Value As Of 05/31/2004
\$162,332,768.01

Dividends	
05/01/2004 - 05/31/2004	Year To Date
\$113,815.86	\$472,243.91

> ON MONDAY, JULY 5, MERRILL LYNCH FUNDS FOR INSTITUTIONS WILL BE CLOSED IN OBSERVANCE OF INDEPENDENCE DAY.

> THE AVERAGE NET ANNUALIZED YIELD FOR THE MONTH OF MAY WAS 0.98%. TRADING DEADLINES ON JULY 2 WILL BE 3:00 P.M. ET.

Account Activity

Confirm Date	Trade Date	Transaction Description	Dollar Amount of Transaction	Share Price	Balance After Transaction
		Beginning Balance			\$97,618,952.15
05/03/2004	05/03/2004	Shares Purchased By Wire	\$2,100,000.00	\$1.00	\$99,718,952.15
05/04/2004	05/04/2004	Shares Redeemed	\$1,500,000.00	\$1.00	\$98,218,952.15
05/05/2004	05/04/2004	Shares Purchased By Wire	\$1,500,000.00	\$1.00	\$99,718,952.15
05/05/2004	05/05/2004	Same Day Wire Redemption	\$1,500,000.00	\$1.00	\$98,218,952.15
05/06/2004	05/06/2004	Same Day Wire Redemption	\$3,400,000.00	\$1.00	\$94,818,952.15
05/07/2004	05/07/2004	Shares Purchased By Wire	\$900,000.00	\$1.00	\$95,718,952.15
05/10/2004	05/10/2004	Shares Purchased By Wire	\$60,200,000.00	\$1.00	\$155,918,952.15
05/11/2004	05/11/2004	Same Day Wire Redemption	\$8,400,000.00	\$1.00	\$147,518,952.15
05/12/2004	05/12/2004	Shares Purchased By Wire	\$1,000,000.00	\$1.00	\$148,518,952.15
05/13/2004	05/13/2004	Same Day Wire Redemption	\$4,300,000.00	\$1.00	\$144,218,952.15
05/14/2004	05/14/2004	Shares Purchased By Wire	\$3,100,000.00	\$1.00	\$147,318,952.15
05/17/2004	05/17/2004	Shares Purchased By Wire	\$3,200,000.00	\$1.00	\$150,518,952.15
05/19/2004	05/19/2004	Same Day Wire Redemption	\$2,100,000.00	\$1.00	\$148,418,952.15
05/20/2004	05/20/2004	Same Day Wire Redemption	\$3,900,000.00	\$1.00	\$144,518,952.15
05/21/2004	05/21/2004	Shares Purchased By Wire	\$13,100,000.00	\$1.00	\$157,618,952.15
05/24/2004	05/24/2004	Same Day Wire Redemption	\$2,300,000.00	\$1.00	\$155,318,952.15
05/25/2004	05/25/2004	Same Day Wire Redemption	\$200,000.00	\$1.00	\$155,118,952.15
05/25/2004	05/25/2004	Same Day Wire Redemption	\$9,900,000.00	\$1.00	\$145,218,952.15

Account Number 318-3323735-8

(page 1 of 2)



59574



Merrill Lynch Funds For Institutions

Merrill Lynch Premier Institutional Fund

Cumulative Statement for 05/01/2004 - 05/31/2004

Account Number
318-3323735-8

Account Activity

Confirm Date	Trade Date	Transaction Description	Dollar Amount of Transaction	Share Price	Balance After Transaction
05/26/2004	05/26/2004	Shares Purchased By Wire	\$12,900,000.00	\$1.00	\$158,118,952.15
05/27/2004	05/27/2004	Shares Purchased By Wire	\$1,800,000.00	\$1.00	\$159,918,952.15
05/28/2004	05/28/2004	Shares Purchased By Wire	\$2,300,000.00	\$1.00	\$162,218,952.15
05/31/2004	05/31/2004	Div Reinvest	\$113,815.86	\$1.00	\$162,332,768.01
		Ending Balance			\$162,332,768.01

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